

Diplomats see gloomy Mideast peace prospects

By Jack Reiden

Reuter

TEL AVIV — Western diplomats, saying an increasingly confident Israel is hardening its stance, are deeply pessimistic about prospects for Israeli-Palestinian peace.

"They believe the sudden influx of thousands of Soviet Jews has convinced many Israelis there is no urgent need for talks.

"I think it's a window of opportunity that is remaining closed," said one.

Diplomats from several countries repeatedly used the word "gloomy" to describe the chances of overcoming obstacles to the first talks between Israel and Palestinians.

They said they understood Israeli "security" concerns but accused Prime Minister Yitzhak Shamir and his right-wing Likud Party of imposing impossible conditions.

"It's a kind of enthusiasm, a sweet death by strangulation of the process," one diplomat told Reuters.

Ten months after Shamir first proposed Palestinian elections in the Israeli-occupied Gaza Strip and West Bank, there has been minimal progress on arranging even preliminary meetings to discuss how to hold a poll.

The United States has proposed a meeting in Washington to lay the groundwork for a subsequent meeting in Cairo that would arrange the elections.

However, there are still Israeli-U.S. differences over that first meeting and Shamir has been uncompromising. This month he restated claims to the occupied territories and demanded tight restrictions on who could represent Palestinians at talks.

Shamir's statements can be explained by his need to placate critics in his party before it meets Feb. 7. But foreign observers have detected a more fundamental toughening of Israel's positions.

"During the last three or four months the stance has been hardened," said one diplomat, attributing it to resurgent self-

confidence. "The mood has changed completely, not the reality."

The change is attributed partly to increased security and the army's greater ability to keep the 25-month-old Palestinian uprising under control.

But the most important factor has been the flood of Soviet Jews into Israel, exceeding even the most optimistic government predictions of just a few months ago.

The rate has reached about 5,000 a month and hundreds of thousands of Soviet Jews have started the emigration process, alarming Palestinians and other Arabs. The Palestine Liberation Organisation's (PLO) executive committee is due to meet in Tunis Monday to discuss the influx.

Israelis who feared the combined Arab population of Israel and the occupied territories would outnumber Jews early in the next century now believe Soviet emigration will eliminate the problem.

Rather than surrendering the Gaza Strip and West Bank because of the demographic threat, Shamir now sees it as the land needed for the expanding Jewish population.

Diplomats now believe peace efforts are stalemated.

Palestinians have no alternative but to continue and hope for progress. But they have failed to convince much of the Israeli public of their ultimate readiness to live peacefully in a state alongside Israel.

The Israeli government does not want to be blamed for the collapse of peace efforts but is firmly convinced it has time on its side.

"Likud has the intention to portray to the outer world there is a process going on... but they want to just keep it alive, nothing more," said one of the foreign observers.

Diplomats could imagine few developments that would reverse the trend and end the 42-year-old Palestinian-Israeli struggle.

Despite periodic government crises, most expect the current Likud-dominated coalition to survive. In the longer term, the traditionally right-

wing Soviet Jews will strengthen an uncompromising stance.

Most diplomats see the United States, which gives Israel \$3 billion in annual aid, as the only country able to push it into negotiations.

A senior U.S. official said last week that Israel would be unlikely to get the extra aid it needed to cope with the Soviet influx if it vacillated over peace talks or tried to settle the newcomers in the occupied territories.

But diplomats think Palestinians are unrealistic to expect heavy U.S. pressure on Israel for concessions which it says could threaten its existence.

"I think it's all pretty depressing," said a European diplomat. "It's difficult to see where it goes next."

Iranian call

Moscow should stop the flow of Soviet Jews to the Israeli-occupied West Bank and Gaza Strip, a Tehran newspaper said Sunday.

The Tehran Times said the Kremlin was ignoring its moral responsibilities by allowing the Jews to emigrate to Israel.

"The Zionist leaders are explicitly using the East European Jews to perpetuate their occupation of Palestinian lands," said the newspaper, which is close to the Iranian Foreign Ministry.

Quoted by the Iranian news agency IRNA received in Cyprus, the Tehran Times said Moscow's policy of allowing its Jewish citizens to leave the Soviet Union was acceptable and welcome.

"(But) should... the freedom of immigration for one group obstruct justice to others and curb their right of ownership over their motherland?" the paper said in a reference to Arab and Western fears that the immigrants would displace Palestinians in the occupied territories.

By turning a blind eye to such international and moral responsibility the Soviet leadership is only "dimming the prospect for the liberation of Palestine."

Israel, E. Germany discuss diplomatic relations in Denmark

TEL AVIV (AP) — An Israeli government representative left Sunday for preliminary talks with East German officials on establishing diplomatic relations, the foreign ministry announced.

A ministry official said the meeting had been requested by East Germany, which has never had diplomatic ties with Israel.

The foreign ministry also issued a statement praising the agreement last week between the Soviet and Israeli chambers of commerce to set up offices in each other's country.

The statement described the fact as "a milestone in the renewal of commercial and economic ties" which have been severed for more than three decades, and said it hoped the agreement would lead to full diplomatic relations.

The Soviet Union and most Eastern bloc nations cut diplomatic ties with Israel after the 1967 Middle East war. The Soviets severed economic ties earlier to express anger over Israel's Suez Canal campaign against Egypt in the 1956 war.

The statement also urged the Soviets to carry out an agreement providing for resumption of direct flights between the two countries by Israel's El Al airlines and Aeroflot, the Soviet national airline. The agreement, reached last December, has not yet been implemented by Moscow.

The announcement on East Germany came two weeks after reports that quiet contacts were under way between the two sides. Israeli officials declined to confirm the earlier reports.

A foreign ministry official, who briefed reporters on condition of anonymity, said Sunday the talks were to take place in Europe, but declined to say where. Israel Radio reported that the talks were being held in Copenhagen.

He said Israel was being represented by Michael Shiloh, the ministry's adviser on Jewish diaspora affairs and a former consul official in Bonn.

All Soviet bloc states except Romania severed diplomatic relations with Israel in 1967. Hungary renewed ties last September, and Israeli officials expect Poland and Czechoslovakia to follow suit in the near future.

The Foreign Office had no comment.

CHURCHES

by factions of Hezbollah, which received financial support from Iran.

Hizbullah works closely with units of the Iranian Revolutionary Guards, stationed in Lebanon since Israel's 1982 invasion, to build influence among the country's 1.5 million Shiites, Lebanon's largest sect.

The longest held hostage is Terry Anderson, 42, chief Middle East correspondent of the Associated Press, who was kidnapped on March 16, 1985.

McCarthy, 33, a British television journalist, was kidnapped April 17, 1986 as he drove to Beirut airport to flee the country.

Scottish-born U.S. citizen, Sutherland, 57, the acting dean of agriculture at the American University of Beirut, was abducted in 1988, the Sunday Correspondent reported.

"This was not the usual Beirut talk, rumour mingled with speculation masquerading as fact," Iaber wrote about the conversation at the wake.

These were two friends, talking privately after a funeral in the heartland of Hezbollah. Nor did it seem likely that Hezbollah was deliberately leaking information; they could do that far more effectively by sending a photograph or a videotape of the hos-

USEFUL TELEPHONE NUMBERS

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AMMAN:

Dr. George Al Saboury 776751

Dr. Adel Daoud 893644

Dr. Abdul Hafez Al Khatib 791954

Dr. Walid Al Saeed 683266

Pharmacy 776336

Al Asmaa' pharmacy 670755

Naifoura pharmacy 623672

Al Salam pharmacy 636730

Yacoub pharmacy 644943

Simeleki pharmacy 637660

WEATHER

Bulletin supplied by the Department of Meteorology.

Gradual rise in temperatures will begin with the appearance of some clouds at different altitudes and winds will be northeasterly moderate. In Aqaba, winds will be northerly moderate and sea calm.

PROGRAMME ONE

15:00 — News in Arabic

15:45 — Children's programmes

16:00 — News summary in Arabic

16:05 — World News

19:15 — Local programmes

19:45 — Programme review

20:00 — News in Arabic

20:25 — Arabic news service

21:30 — Programmes

21:45 — Local programmes

23:00 — News summary in Arabic

PROGRAMME TWO

11:00 — News in French

11:45 — News in Hebrew

12:45 — Varieties

20:30 — Empty Nest

21:10 — Kite and Abel

22:00 — News in English

22:30 — Cassidy

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PRAYER TIMES

05:30 — Fair (Sunrise) Dhuhr

06:27 — Dhuhr

11:45 — Dhuhr

14:45 — 'Asr

17:10 — Maghrib

18:30 — Isha

Other Flights (Terminal 2)

09:10 — Sanaa (LY)

10:00 — Baghdad (IA)

10:45 — Cairo (MS)

11:45 — Abu Dhabi, Bahrain (GF)

12:45 — Beirut (RO)

14:45 — Kuwait (LN)

15:45 — Paris (AF)

Market Prices

Upper/lower price in \$ per kg

Apples 400/300

Bananas 400/300

Banana (Mekanama) 400/300

Cabbage 750/650

Carrots 90/60

Citrus 230/180

Cucumbers (large) 150/120

Cucumbers (small) 300/240

Dates 330/200

Garlic 140/100

Kale 720/650

Lemons 200/160

Marrow (large) 220/180

Marrow (small) 220/180

Onion (dry) 280/240

Onion (green) 280/240

Oranges 200/160

Oranges (Shanoudi) 330/230

Potato (red) 700/600

Potato (sweet) 700/600

Potato (white) 220/180

Cairo (MS) 120/100

Sage 450/400

Spices 180/140

Tomatoes 170/140

Other Flights (Terminal 1)

07:45 — Baghdad (IA)

08:45 — Damascus (RD)

09:45 — Cairo (MS)

10:45 — Beirut (LJ)

11:45 — Agde (RJ)

12:45 — Beirut (ME)

13:45 — Bahrain (GF)

14:45 — London (BA)

Five envoys present credentials to King

AMMAN (Petra) — Five newly appointed ambassadors to Jordan Sunday presented their credentials to His Majesty King Hussein. A separate ceremony held in the presence of Chief of the Royal Court Sharif Zaid bin Shaker, the King's political advisor Adnan Abu Odeh, Chief Chamberlain Prince Ra'd bin Zeid and Deputy Prime Minister and Foreign Minister Marwan Al Talhouni.

Two Jordanians missing in Kuwait

AMMAN (Petra) — Two Jordanian citizens have been reported missing in Kuwait and Kuwaiti security authorities have launched a wide-scale investigation to find them, according to Jordan's Ambassador to Kuwait Nabil Al Talhouni.

Talhouni said that the Foreign Ministry in Amman had been informed of the issue.

1,000 schools needed in next 10 years — ministry

AMMAN (Petra) — The Ministry of Education is in need of at least 1,000 more schools in the next ten years in order to cope with the rapidly increasing number of students, according to ministry Secretary-General Munther Al Massri.

"Schools" in Jordan receive 30,000 male and female new students every year and this requires more space and more classes to give them a proper education," Massri told a visiting education delegation from Kuwait.

He said that plans had been made for building 430 schools in the first stage and the rest would be constructed in two stages. According to Massri, a total of

NATIONAL NEWS IN BRIEF

TUNISIAN MINISTER LEAVES: Tunisian Minister of Culture and Information Al Babib Ben Idris left Amman Sunday at the conclusion of a three-day visit to Jordan. During the visit, the Tunisian official delivered a message from Tunisian President Zine Al Abidine Ben Ali to His Majesty King Hussein dealing with the development in the Arab and international arenas and their impact on Arab issues including the Palestine question. The Tunisian official also discussed with several senior officials means to bolster bilateral relations (Petra).

WEST BANK COLLEGE APPLICANTS: The Ministry of Higher Education has sent memoranda to all community colleges in Jordan instructing them to consider applications from West Bank students who passed the tawjihi examination in 1989 and earlier from Sunday and no later than Feb. 1. Ministry of Higher Education sources said. These colleges, the sources added, would choose students in accordance with their averages and available seats. The names of accepted students will be published in local papers no later than Feb. 5 (Petra).

INTERNATIONAL BOOK EXHIBITION: The second Amman International Book Exhibition will open Feb. 20 with the participation of representatives of a large number of publication houses, institutions, as well as Arab and foreign universities. The exhibition will cover about 25 topics of science and culture with about 1.25 million books. Jordanian and Arab specialists will hold cultural activities and seminars on the sidelines of the exhibition. The exhibition is regarded a completion of the first exhibition held last year under the patronage of His Royal Highness Crown Prince Hassan (Petra).

JORDAN GIVES IRAQ SAPLINGS: The Ministry of Agriculture has presented 30,000 pine and cypress saplings to the Iraqi Ministry of Agriculture. This step is part of cooperation between the ministries in Iraq and Jordan to develop agriculture in both countries (Petra).

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

LECTURE

★ A lecture, in Arabic, by Dr. Hamed Al Shereyeb entitled "Democracy in Jordan - past and present" at Abd Al-Hamid Shoman Foundation — 6:00 p.m.

FILM

★ A French film entitled "Le Dernier Metro" at the French Cinema Centre — 8:00 p.m.

Arafat appeals to Moscow

(Continued from page 1) he would not suffice with a rejection of Sharon's recommendations.

The party infighting has temporarily set back Baker's efforts to arrange a meeting of the Egyptian, American and Israeli foreign ministers in Washington.

Baker's planned meeting is supposed to set the stage for the proposed Israeli-Palestinian dialogue in Cairo. Shimon said that "this meeting, (Washington) as known, will not yet be held. There is no point to holding this meeting until it is clear that positions of the sides are close enough to allow a foreign ministers meeting that will end in agreed decisions."

Turning to another thorny issue, Shimon said high-ranking American officials have assured him that the administration of President George Bush never authorised recent published suggestions to decrease financial assistance to Israel.

This time, Shimon added he would insist on a separate vote for his own proposals, suggesting



Merchants push demand for higher profit margins

AMMAN (J.T.) — The Jordanian Supply Merchants Association Sunday issued a statement in support of their demand that the margin of profit on imported products should be 22 per cent rather than remain at 15 per cent set by the government last year.

The statement said the increase in prices does not mean that "it is pure profit but it will cover transport and administrative costs, re-investment, storage and other expenses."

The statement came in reply to demands made by the Minister of Supply to the association to reduce prices of food supplies and contribute to the national effort to

reduce the soaring cost of living in Jordan. The association had earlier urged the Ministry of Supply to fix prices on all food supplies still lying in the ministry's warehouses because much of the products would go bad with time. However, the statement said that the association would accept the present arrangement for 15 per cent profit until a joint government-parliamentary committee had completed its investigation into the whole issue and reached a compromise solution.

The statement said that circumstances beyond the association's control, such as a rise in the prices of commodities to the

country of origin and a rise in the exchange rate of the U.S. dollar were behind the hike in prices of all imported commodities.

The association estimates the price hike between 90 and 100 per cent based on the exchange rate of the dollar, which was worth 340 fils before 1989 and is now 700 fils, the statement said.

In addition, the statement said, the government has, since November 1989, imposed a two per cent extra duty on imported goods, including food supplies imported from Western European countries, while the Europeans have now removed all subsidies on exported goods.

Arab panel to meet in Tunis on intifada

TUNIS (Petra) — A seven-member Arab League team will open a meeting here Feb. 5 to examine world-wide efforts to mobilise public opinion in support of the Palestinian people's intifada in the occupied Arab territories and to expose Israel's inhuman practices against the population.

A statement issued by the Arab League headquarters here said that the foreign ministers of Jordan, Tunisia, Algeria, Saudi Arabia, Iraq, Syria and Egypt as well as the head of the Political Department of the Palestine Liberation Organisation (PLO) and the Arab League's secretary-general would hold open new moves on the international level in general and contacts with members of the U.N. Security Council in particular concerning the situation in the occupied Arab lands.

"The meeting will mark the

start of a pan-Arab action designed to serve the Palestinian cause and to give momentum to the current efforts to convene an international peace conference on the Middle East," according to Farouk Al Kaddoumi, head of the PLO's Political Department.

He said that the offensive was aimed at ensuring the rights of the Palestinians in their homeland and to end Israel's oppressive practices in the occupied lands.

The seven-member committee, which was set up in 1987, toured several European countries and the United States in its drive to support the Palestinian people's cause. Kaddoumi said that the question of Soviet Jewish immigration to Palestine would be on the agenda of the committee meetings.

JPMC pays JD 40m income tax for 1989

AMMAN (Petra) — The Income Tax Department Sunday announced that it had received a cheque of JD 40 million from the Jordan Phosphate Mines Company (JPMC) as a first instalment due on its profits for 1989.

The department said that the company will pay the remaining JD 10 million in income tax next month. The cheque was handed to the department by JPMC Director-General Wasif Azar.

According to Azar, Jordan, which is the third biggest rock phosphate exporter, earned a record \$434 million from its highest ever exports of the fertiliser-base last year.

"1989 was a record year from all angles," Azar said in an interview with Reuters news agency earlier this month.

Azar said JPMC exported 6.4 million tonnes of phosphate last year, compared with 5.8 million tonnes in 1988. He expected that the company would increase earnings this year and hoped to boost exports to Eastern European countries trying to implement reform, that would lead to freer markets.

Azar said that phosphate production would increase to 10 or 11 million tonnes a year by the end of the century.

Police apprehend counterfeit group

AMMAN (J.T.) — A four-member group, including a citizen from another Arab country, was apprehended by the police in Amman while trying to sell a large amount of forged Iranian currency, a local daily reported Sunday.

A report in Al Dustour Arabic daily Sunday said that police found 37,820,000 Iranian "tumans" in the possession of the group before it was able to peddle them in local money markets.

According to the report, which quoted Ismail Raghib, the attorney general in Amman, investigation into the

group is continuing. The report said the Public Security Department's (PSD) office in charge of counterfeiting and drugs first learned about the case when it was tipped by an informer about one of the four carrying a substantial amount of the counterfeit money and trying to exchange it for a piece of land. It said that the non-Jordanian Arab had been working as a bus driver between Jordan and neighbouring countries and that was how he was able to smuggle in the money. It is the garden of a house belonging to one of the group.

J V T C PRESENTS

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Gorbachev not under threat

(Continued from page 1) have mounted in recent weeks.

The Communist Party in the Baltic Republic of Lithuania has broken with its Moscow comrades in a campaign for independence, and long-simmering ethnic hatreds and territorial disputes have boiled over into open warfare in the southwestern Caucasus region. Gorbachev ordered troops into the Azerbaijani capital of Baku to crush an armed takeover by Azerbaijani nationalists.

In his written comments, Shevardnadze said secession of some of the Soviet Union's independence-minded republics would not only cause military, political and economic problems for them but could "result in a major destabilisation of the existing international structure."

"It is in no one's interest to see this happen," the foreign minister said in his written response.

The problems of inter-ethnic relations are so delicate and sensitive that one should avoid any outside interference in the process of their development.

Otherwise, one can provoke unpredictable repercussions," he wrote.

Shevardnadze, whose home republic of Soviet Georgia is among those with an active nationalist movement, was practically unknown outside the Soviet Union before Gorbachev plucked him from his post as Georgian Communist Party chief to replace veteran Foreign Minister Andrei Gromyko shortly after Gorbachev rose to power in March 1985.

With a warm smile and pensive manner, Shevardnadze said secession of some of the Soviet Union's independence-minded republics would not only cause military, political and economic problems for them but could "result in a major destabilisation of the existing international structure."

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The Jordan Times is published daily except Fridays. Subscription and advertising rates are available from the Jordan Times advertising department.

House in order

THE strong interest shown by members of the Lower House of Parliament in discussing at length the draft budget law can be easily explained by the organic link between the budget and the economic and fiscal woes of the country. There is no doubt that bread and butter issues in these difficult times are uppermost on the minds of all Jordanians, and it is therefore natural that their elected representatives attempt to reflect these concerns during the deliberations of the past two days. Judging by speeches made in the House, the rising high cost of living and growing unemployment have received the lion's share of the parliamentarians' concerns, and rightly so, we think. There is clearly an urgent need to address these two major economic problems although the budget for 1990 does not appear to offer any immediate panacea for either.

Equally pressing is how to handle past errors of judgement and sometimes gross mishandling of the Jordanian economy and fiscal policies. Many parliamentarians want to establish in the clearest possible terms the connection between the policies and actions of former governments and officials and the existing economic and fiscal policies in order to begin the process of holding them accountable for the mess we are facing today. No one in the country would want to hush up previous major grave commissions or omissions, least of all the newly-elected parliament which now has an opportunity of a lifetime to establish its credibility as genuine spokesmen of its constituency.

But important and pressing as all these issues are, the Kingdom has still to reckon a realistic and meaningful way to deal with the number one economic and fiscal challenge, namely, the huge external debt problem. Perhaps it is propitious now to introduce imaginative and bold views on how best to deal with the grave danger to Jordan's economy and fiscal situation. It is not far-fetched nor self-defeating to echo once again what some parliamentarians have proposed as a way out of the debt problem: To make a more determined effort to write off such a debt or most of it in exchange for the implementation of some domestic policies that are geared towards solving Jordan's economic, social and environmental problems.

Whether Jordan would succeed in eliminating most of its external debt by perseverance and with the consent of creditor nations is only part of the picture. But whereas it is relevant to try such policy with the hope that the response of the international community would be favourable, it is nevertheless incumbent on us to start by getting our act together and put our own house in order.

JORDAN PRESS EDITORIALS

Al Ra'i Arabic daily on Sunday again discussed the question of Jewish immigration to Palestine and referred to Israel's new campaign to advocate the idea of Jordan serving as homeland for the Palestinians. The paper said His Majesty King Hussein's warning about the Jewish immigration came to point out to the Arab Nation and the world at large the real dimension of the danger inherent in Israel's plans to drive out the Palestinian Arabs from their homeland and to settle the Jews in their land. The paper also referred to Shamir's declaration that Israel will be transformed into a greater Israel with the arrival of a million Jews and this indicates that there will be a new expansion at the expense of the Arab Nation. Israel is Palestine; and this is a fact known to the whole world which realises that it is Israel which continues to occupy Arab territory and to colonise it, stealing away Arab homes, lands and water resources, the paper noted. What the Israeli extremists dream of, said the paper, is but an illusion and madness which can never become a reality thanks to national unity in Jordan and the determination of the Arab Nation to thwart all Israeli expansionist plans.

A columnist in Al Ra'i Arabic daily Sunday calls on the Civil Service Commission which processes applications for employment in government offices to take into consideration the economic and social status of people in the course of appointing them in their posts. Fekri Kawaer says that he knows of a case in which a married woman has been waiting for employment for more than two years after graduating from a community college where she studied computer, and still has no job despite her applications at the Civil Service Commission and government and private sector offices. He says that the husband is sick and his JD 80 a month is barely sufficient for his medicine; and she desperately needs a job to support the five-member family. The writer notes that the Civil Service Commission today has been processing applications in terms of qualifications, giving priority to those who send in their applications first; but he says the commission should look into the living conditions and social status of an applicant before filling the position, because certain groups in society are really in need of work to live. The writer says that in view of the unemployment in Jordan and the lack of sufficient jobs, one should give more attention to less fortunate people rather than offer jobs to the more fortunate.

Al Dustour Arabic daily on Sunday discussed a report by the Lower House of Parliament's financial committee on the country's 1990 fiscal budget. The paper noted that the debate in Parliament has been going on with objectivity and a sense of high responsibility; and that the figures given were found by deputies to be realistic. The paper said that any criticism here and there and any objection to parts of the minister of finance's report on the budget, can only indicate a good and healthy sign of democracy, and that all the legislative as well as the executive authorities are involved in a process to serve the national interests.

Weekly Political Pulse

The law governs rights, duties of citizens

IT IS rather interesting but alarming to see how many Jordanian "thinkers" discuss the relations between Jordanian of various origins in a complete legal void. It so happens that Jordan is a modern state that applies contemporary guidelines and norms to define its own citizenship phenomenon on par with all contemporary societies and peoples across the entire world. To treat and debate the status of Jordanians of Palestinian origin in the Hashemite Kingdom of Jordan according to emotional bursts or whims, unrelated to the rule of law, is utterly ridiculous and dangerous. One of the main features and attributes of modern statehood is the application of the rule of law in determining relations between the state and its citizens on the one hand and the relationships between the citizens themselves on the other. To hear a political scientist in Jordan defining such relationship on archaic basis or on criteria that belong to bygone days and times is most disturbing.

This is not to suggest that the meaning and implications of citizenship should be rendered empty or shallow by citizens who profess loyalty to another country and express readiness to forsake their citizenship duties and rights for alien ones that are not compatible with their own true sense of citizenship. Rather it is a call for the resort to the rule of law to govern such a regime. Citizens, whatever their roots and origins are, are not and should never be regarded or treated as herds that can be denied their citizenship rights and obligations by arbitrary means. Perhaps the time to sit through individuals or even peoples applying for citizenship rights and obligations is right at the start, before they are granted such citizenship. But once they are accorded such rights and obligations in accordance with the law, then any retraction of these rights and duties shall be executed through the due process of the law.

As a matter of fact there is hardly a country in the world which does not suffer or rather has not experienced hardships connected

with new citizens and their offsprings. This phenomenon is no longer confined to immigrant-oriented countries such as the U.S., Canada or Australia, but has affected the rest of the community of countries that have been forced to liberalise their immigration policies. One wonders if Irish Americans for example can be viewed as less Americans or Canadians or Australians simply because they still entertain nostalgic feelings towards their native country or even because they lend support to the "Irish intifada" in Northern Ireland. And what applies to the Irish can apply to all sorts of other nationalities that make up many countries in these ever changing times.

What probably led to paranoia about Jordanians of Palestinian origin and their role and status in the Kingdom or their relationship with the indigenous Jordanians is the constant reference to the incredible notion that Jordan is Palestine or Palestine is Jordan. It is just probable that the more there is talk about such ridiculous ideas the more it will gain currency and credibility. There are strong and many arguments in favour of halting the repetition of or reference to the greatest and wickedest of Israeli lies for fear that all of us who keep hammering on this point would be willy nilly playing into the hands of the Israelis without knowing or realising it. There is always the fear that giving wider currency to a dangerous thought or conspiracy or design would lend it some credibility in the final analysis. True, the country and its good citizens must be on guard against various conspiracies that are being hatched up against them, but this should be done in a well-guarded and controlled manner lest the very discussion becomes the tool for its implementation and its emotions become the mechanism for its execution.

The Hashemite Kingdom of Jordan is a proud Arab country with strong and deep traditions and roots in statehood. As young as it is, it is older than more than half of the member states of the U.N. It is just too far-fetched to even think that Jordan can ever be

a victim of its own people, especially to the ones among them whose roots and origins take them to other Arab lands or countries across its borders. It would be sheer hypocritical and utterly naive to ever entertain the notion that the Jordanian identity is so vulnerable and up for grabs by any other peoples or parties or factions. All those who profess otherwise simply lack self-confidence and deep rooted trust in their own sense of identity. And all outsiders who still entertain such bizarre ideas simply prove that they know very little about the country and what makes it tick.

There must be a more determined effort to curtail the proliferation of all ill-guided discussions on the issue of Jordanians of Palestinian origin lest they end up exacerbating the entire subject matter even more and pour oil on the fire. The Kingdom, government and people, must take as a point of departure in all such deliberations the well-established proposition that Jordanians are Jordanians under the law of the land and will always be treated as such period. It goes without saying that any Jordanian caught involved in any conspiracy against the well-being and security of the Kingdom should be prosecuted in accordance with the law and punished accordingly.

For one world rather have my government stop talking about the Israeli description of Jordan as being Palestine and instead just go on with the task of strengthening the inner fabrics of the society by proceeding forward at moderate speed with the incorporation of deeper foundations for the ongoing democratic process in the Kingdom. All the Jordanians' concerns whether real or imaginary can be ironed out within the new framework of parliamentary life that is fortunately existing now. Yet at all times Jordanians of all origins must keep in mind that all this talk about Jordan is Palestine or Palestine is Jordan intended to have Jordanians get on throats of each other.

Financial committee report to Lower House

Draft budget is objective and realistic, but fails to quantify dimensions of economic crisis

The following is the text of the report of the Lower House of Parliament's financial committee on the 1990 fiscal budget, presented to Parliament on Sunday:

The Lower House in its ninth meeting of the first ordinary session held on Jan. 6, 1990 referred the fiscal budget for 1990 to the house financial committee. The committee held a series of morning and evening meetings between Jan. 7 and Jan. 23, 1990 to discuss the budget under the chairmanship of Dr. Abdullah Nsour and the committee's rapporteur Abdullah Akayleh as well as committee members: Hamzeh Maosori, Ahmad Qteish, Abdul Salam Freihat Fuad Al Khalafat, Dr. Dheeb Marji, Jamal Haddad, Issa Reimonni, Ata Al Shahwan, Sami Qawar, Mohammad Alawneh, Bassam Haddad, Matir Al Bustanji, Ahmad Kafawin, and Ali Hawamdeh. One of the meetings was attended by Prime Minister Mudar Badran and House Speaker Suleiman Arar.

Dr. Khalil Al Saleh, rapporteur of the Upper House's financial committee attended part of the meetings, but most of the meetings, were attended by Finance Minister Basel Jaradat and Ali Gharabieh, director of the general budget. The financial committee also invited the following economists to sound their views on the budget: Jawad Al Anani, Fahed Al Fanek, Ahmad Nimir, Abdullah Al Maliki and Sami Qamouni.

The final session was attended by the following: Public Security Director Fadel Al, Minister of water and irrigation, energy and mineral resources, education and higher education, as well as the secretary general of the Ministry of Water and Irrigation, the directors of the Jordan Valley Authority, the Jordan Electricity Authority, and representative of the Higher Council for Science and Technology.

The financial committee of the Lower House of Parliament is pleased to present to the House its report on the country's 1990 fiscal budget which defines the main principles and the broadlines for the economic adaptation programme which covers the period 1989-1993.

The report by the Ministry of Finance on the budget defines the main elements of the 1990 fiscal budget.

The report on the budget was this time characterised with a high degree of responsibility and was realistic and objective, revealing a great deal of facts related to the economic, financial and monetary situations in the Kingdom.

The financial committee's discussions on the budget in the past period led to the emergence of a host of issues which the committee would like to present to the House as follows:

FIRST: The overall economy of Jordan: The past two years revealed major economic problems and deficiencies that led to the creation of major social and political problems that almost led to a deterioration in stability and the loss of tranquility and public confidence in Jordan's ability to steer the economy and to overcome the present predicament.

This in turn reflects no responsible attitude on the part of the government towards foreign and internal borrowing to meet the development needs and points to irresponsibility towards the country's economy and its financial and monetary systems.

Several warnings came from the previous Lower House of Parliament's financial committee during debates on the annual budget about the debt issue. Therefore, we hope the House will give the situation an examining look and we will help you to carry this examination later when we start discussing the financial and economic crisis facing the Kingdom so that you can take the most responsible decision as representatives of the nation.

These problems have led to shaking of confidence in the Jordanian economy, which in turn led to a noticeable retreat in Jordanian expatriates remittances, a recession in new investment and the flight of savings. This economic crisis had led to consequences that in turn caused an aggravation of the whole problem which became more complicated despite the fact that the budget report this time was more objective and more realistic as mentioned before, yet it failed to give specific and clear figures of the dimensions of the economic problem in its various aspects.

The budget report did not present a review of economic development and the development of the balance of payments, the balance of trade, consumption, growth, the volume of debts, unemployment and inflation but only touched on them here and there in varying degrees. The lack of sufficient details rendered the budget report incapable of serving as a national plan for economic adaptation.

In diagnosing the causes that led to the present crisis, the government has given reasons other than those given in the past years which used to lay the blame on the failure of obtaining promised Arab financial assistance. The government this time has referred to other reasons, like excessive spending in the past years, failure to take the initiative to adopt reform measures when the crisis presented itself, allowing the export sector to lose its competitive power, failure to adjust unrealistically rates of exchange, failure to adjust the balance of payments, and to handle the depletion of the Kingdom's foreign currency reserves.

In addition to all this there was the economic recession which dominated the whole area, coupled with a retreat in demand of national products in foreign markets and a decrease for the need of Jordanian workers in oil producing countries.

Second: the economic adaptation programme:

The financial committee reviewed the various ideas presented by the government in the draft budget report on the overall framework and the broadlines of the economic reform programme which can be summed up as follows:

The previous governments

used to find pretexts to defend such debts by saying that money was needed for capital and development projects. But in fact the loans were spent on non-development projects and were obtained through commercial deals with high interest rates.

The result was that projects

lost power to repay interest on the loans, and eventually were burdened on the treasury, hence the adverse impact on the financial, monetary and economic structure. This can only point to the fact that economic policies were ill-planned and decisions

were poorly studied.

The financial committee's

discussions on the budget in the past period led to the emergence of a host of issues which the committee would like to present to the House as follows:

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Budget debate

J. 1990

Financial committee report to Lower House
Draft budget realistic, but fails to quantify dimensions of economic crisis

(Continued from page 4)

This clause states the government's intention to revise all its previous pricing policies, especially those related to water and the subsidy on wheat production. It intends to do this after holding consultations with the World Bank.

This clause also refers to the government's determination to reduce the general budget's dependence on loans from commercial banks and to further restrict credit facilities to the private sector and to control expenditure at the public organisations. This aims to reduce the rate of inflation from 14 per cent in 1989 to 7 per cent in 1993.

11. The eleventh clause speaks of the government's determination to adopt proper measures to achieve a stability in the balance of payments in 1993. This can be done through encouraging exports, stimulating tourism, curbing imports and adopting a flexible policy in exchange operations.

12 and 13. The report in these two clauses refers to the government's intention to reducing deficit in the general budget reaching 20 per cent in proportion to the gross domestic product for 1989 compared to 23.7 per cent in 1988. The government also expects a reduction of the deficit to reach 17 per cent in proportion to the gross national product for 1990 through increasing revenues and suppressing expenditure.

In the respect the report indicates that the government plans to create a consumption tax and to revise the taxation system in general with the purpose of reforming this system through the addition of the value added tax. This clause refers to the government's request from the IMF to dispatch a mission specialised in financial affairs to visit Jordan between June and July of 1990 to present recommendations by the end of September 1989 and to co-participate in preparing the 1990 budget.

14. In the fourteenth clause the report refers to the huge government expenditure in proportion to the gross national product, reaching nearly 50 per cent, which is in excess of 80 per cent over the current expenditure and exceeding revenues by 40 per cent. This indicates that the government spending was covered by borrowing and foreign aid. This clause also indicates that the government was aware that increases in expenditure should be less than rates of growth in the gross domestic product.

15. The fifteenth clause refers to the treasury as shouldering the additional subsidy on essential commodities by JD 38 million, considered as an assistance to the poor sector in the society to protect it from the effects of the severe austerity programme. This clause also refers to the government's attempts to direct its assistance to the needy groups in a more selective manner.

16. The sixteenth clause outlines the government's projects which the report says are being well managed and that most of them are yielding good returns. This clause also refers to the government's initiative to conduct a revision to its projects with a view to increasing their contributions to the general budget.

According to the report, projects that sustained losses will be re-examined with the purpose of being steered properly to achieve their purpose.

17. The seventeenth clause entails detailed briefing on steps to be taken by the government to deal with the deficit in the budget. This is to be through imposing a strict control over borrowing by government institutions during 1989 and 1990.

18. The eighteenth clause reflects on the government's efforts to encourage savings on the part of the public, improving allocations of funds for projects and granting banks freedom to adjust their interest rates.

19. In the nineteenth clause the report refers to a deficit in the current balance of payments as the main target of the restructuring programme.

The government aims to reduce the deficit here in proportion to the balance of payments from six per cent in 1988 to five per cent in 1989 and three per cent in 1990.

To achieve this goal, the report refers to a host of policies which entail giving incentives to exports, tourism and rationalising imports, diversifying markets which import national products, creating new channels to finance exports and reforming the customs system.

20. The report in this clause speaks about sharp reduction in the value of the Jordanian dinar during 1988 and 1989.

The report reflects the government's belief that this reduction has now given incentives for exports, and that the government believes there is good prospect for stabilising the dinar's exchange rate in the near future.

21. In this clause the report

refers to the government's commitment to follow a wise policy in managing debts and reducing problems emanating from servicing foreign debt. This can be done by fixing the ceilings for short and medium term debts.

22. In this clause the government refers to the need for foreign assistance, as additional resources, and also refers to rescheduling of debts to governments and commercial banks. The government hopes that the rescheduling of debts will be on easy terms.

23. In this clause the government pledges to refrain from doing the following:

a. Imposing or increasing restrictions on payment transfers and international exchanges.

b. Applying multi-purpose system for foreign exchange rates.

c. Coexisting bilateral pay agreements not in harmony with the seventh clause of the agreement with the IMF.

d. Imposing new restrictions on imports or increasing restrictions for the purpose of adjusting the balance of payments.

In the light of the clauses in this report, the government submitted to the IMF a request for stand-by credit for 18 months of JD 60 million special drawing rights, corresponding to \$80 million, in addition to a compensatory loan of \$40 million.

In the light of this agreement, a total of \$1,300 million worth of installments, loans and interest for 1989-1990 are due to foreign countries and until the middle of 1991 to commercial banks have been rescheduled. Rescheduling is for a period ranging from 10 to 11 years after a grace period of five to six years.

THIRD: Cost of living:

Available figures indicate an inflation of over 25 per cent in 1989 is expected to rise by 12.5 per cent in 1990 over 1989 figures, and by seven per cent in 1993 over the 1992 figures. Needless to say that the rise in the cost of living in Jordan covers a basket of services and commodities needed by the consumers including housing, transport, food, clothing, medicine and education, etc.

The cost of these commodities vary and the cost of imported commodities rose more than that of the local products because they are paid for with expensive foreign currency. But on cannot help noticing that the cost of living has risen more than expected and beyond the margin of increases in the rate of exchange of foreign currency.

This prompts one to conclude that there are other behavioural reasons behind the soaring cost of living, like monopoly. The rise in prices has created a chaos that cannot be justified in economic terms alone. This conclusion of course requires evidence and proof in figures, and requires further study.

The house has entrusted the financial committee to study this issue with the government to find a solution.

FOURTH: Consumption:

It is clear that the government's economic philosophy and solutions for problems are based on consumption and the need to bridge the gap between gross domestic product (nearly JD 1,700 million in 1988) and the level of expenditure which reached 170 per cent in 1989. Of this, 103 per cent went to consumption by the private and public sectors, 26 per cent to investments by the two sectors, 41 per cent payments of foreign debts, which means that the remaining gap without paying interest is 29 per cent. The economic adaptation programme is expected to reduce this gap to 19 per cent in proportion to the gross national product of 1993 of which 92 per cent consumption in the two sectors and 27 per cent investments.

It is clear here that the volume of consumption is the main burden in the face of saving necessary funds for investments and that any reduction in consumption beyond 92 per cent is bound to steer savings towards investments and more jobs.

FIFTH: Public expenditure in the budget:

The state's expenditure in the last 10 years, 1980-89, reached more than JD 8 billion spent according to the following: JD 3 billion current expenses, JD 2 billion armed forces expenses, JD 3 billion capital and development expenditure, which includes the payment of installments of loans and interest.

The sources for expenditure came from:

Local revenues JD 4.25 billion, foreign assistance JD 1.5 billion, loans 1.5 billion, accumulative deficit JD 500 million.

We notice from these figures that the citizens of Jordan contributed towards covering half the expenditure (52 per cent) while the loans covered 18 per cent, the foreign assistance 22 per cent, thus leaving a deficit of 8 per cent.

Loans are considered as accumulative deficit and therefore the real deficit is 26 per cent, which is more than one quarter of the total expenditure or over JD 2 billion and this does not include armament spending.

For this reason the committee should give its attention to the deficit and to reduce the 1990 expenditure by JD 15 million and then the deficit has dropped to JD 184 million down from JD 199 million.

SIXTH: The financial committee's report on the 1990 draft budget:

1. Classification of the budget:

a. A positive development occurred to the budget report because it has been classified in accordance with the international recognised standards projecting expenditure, and revenues in different chapters from financing.

Thus financing through borrowing and assistance is no more considered as revenue as was the case before. This deserves appreciation.

b. The committee would have liked to see the budget report include separate chapters dealing with development regions in Jordan in addition to the present classification system.

c. The committee would have liked to see the report containing separate classification of sectors. Therefore, the committee recommends that the House demand from the government that the 1991 budget be worked out on the basis of clauses a, b and c.

2. Comprehension of the budget:

The budget report was confined to ministries and institutions affiliated to them but the other public organisations which have semi-independence financially and administratively like universities, Royal Jordanian, the Railway Corporation, the National Medical Institute, the Public Transport Corporation, are not covered in the budget.

Such process can only limit the usefulness and the aims of the budget, since restricting the budget to only less than two thirds of the state's activities means that any decisions will only affect part of the government's establishments, which in turn can only obstruct the economic reform process. In addition we regard the process of keeping these institutions out of the reach of Parliament as a violation of the Constitution. Therefore, the committee recommends that the House decide to introduce an amendment to law number 39 of 1964 which provides for the drawing up of the national budget. The new provisions should state that the budget of any institution in the country must be approved by the House's financial committee. This should cover funds like those administered by the armed forces, the merchants fund at the Ministry of Supply, education tax at the Ministry of Education, etc.

3. The budget's addenda:

It is unconstitutional to spend mocy from any appendix attached to the national budget before it is approved by Parliament and, therefore, the committee recommends that the House reject any draft law on appendices attached to the budget law if spending was done in advance starting from this year.

The government should always ask the House in advance to assign an appendix to the budget and no spending should be done before the draft law is approved.

4. Classifying the budget: An improvement has been achieved in the process of classifying the budget into expenditure, capital, and current spending; like clauses which assign spending for municipalities. But we consider certain functions within the capital projects as current expenditure and it is desirable to reconsider the classification of the budget draft for 1991.

5. Assessment of revenues and financing:

The committee considers the government's assessment of revenues as realistic and there had been no exaggeration. The committee would like to present the following remarks:

a. New loans: the local revenues are JD 694 million while expenditure is JD 1,105 million. This shows the results to a JD 411 million gap which will be covered by financial assistance totalling JD 160 million, and from installments paid to the government on internal loans which total JD 50 million, and external loans due to the country totalling JD 20 million.

The committee considers that it is its duty to draw the House attention that the government is borrowing a new loan totalling JD 250 million and that part of the loan will be used to pay back installments on previous loans totalling JD 68 million and that part of the revenues will be used to pay back external loans totalling JD 135 million. This means that, altogether, the country will be paying JD 203 million

in installments of debts and debt service.

Therefore the difference between what is borrowed and paid back in debt services in 1990 will be JD 47 million.

Internal loans, this year will be confined to JD 33 million. To give the House an idea we refer to the internal debts of 1987 which exceeded JD 255 million, in 1988 nearly JD 309 million and in 1989, JD 84 million.

As the debt service on internal loans is JD 60 million then the net payment of debts totals JD 27 million. Therefore, we consider internal borrowing is a step in the right direction.

JD 12 million loan for the Cement Company to pay back part of its debt totalling JD 253 million.

Most of the major part of the spending goes to the capital or semi-capital projects, and in most cases they are non-development projects. The loan to the Cement Company is not for development. What remains for development is JD 90 million or nearly 8 per cent of the budget. This is a major weak point in the budget.

The figures display a negative reflection of the real development growth expected this year and also the employment possibilities expected from investments by the public sector.

The committee has made some changes to the capital sector of the budget so as to give it a development character. The committee realises that an increase in allocations for development will increase the deficit margin and for this reason the committee has approved the allocations for the capital and development sectors in the budget.

7. Reducing expenditure as proposed in the draft budget:

The committee recommends

cuts in the proposed expenditure or shifting it to other clauses within the same chapter as follows:

Nine: Public organisations:

The committee is of the view that many public organisations should be re-examined so as to study their administrative and financial situations. Many of these organisations conduct similar functions and some have become obsolete.

Therefore, there is urgent need to study these organisations to merge some or cancel some of them so as to avoid dual work and wastage of funds.

Example of organisations that can merge: The Agricultural Credit Corporation, the Jordan Cooperative Organisation, the Agricultural Marketing Organisation and the Urban Development Corporation. Examples of organisations that can be cancelled: Jordan Valley Authority which can be incorporated with the Ministry of Water and Irrigation, and the Aqaba Region Authority which can be incorporated with the Aqaba Municipality. The

committee has noticed that the Jordan Valley Authority has made some excesses in its functions which led in further burdens on the treasury. This authority has had right to borrow from outside sources through the Ministry of Planning and this prompts the committee to recommend that the House demand an amendment to the law to make any borrowing subject to the Ministry of Planning alone.

The committee thanks Saudi Arabia, Kuwait, Iraq, the United Arab Emirates, Oman, Qatar, Dubai and the report to Jordan. The committee expresses appreciation to His Majesty King Hussein for his relentless efforts to serve the country.

Chap. No.	Clause	Original allocation	Suggested allocation or increase
5/2 Foreign Ministry	403.A	60	60
	503/A	10	10
	509.A	100	100
4/1 Finance	403.I	3,500	3,100
	508.A/2	6,000	2,000
	508.A/3	380	300
	508.A/7	1,100	900
	508.C/1	12,000	6,000
	509.I	500	300
	402/4	490	180
	503.I	85	85
	A. 507.3	1,750	2,500 (450)
	(A) 507.4	450	1,800 (1,350)
	(A) 507.5	12,000	10,500
	(A) 507.24	140	365 (125)
	(B) 402/3	50	25
	(C) 402/2	450	250
6/2 Customs	400	300	100
5/2 Energy	509.4	600	200
6/2 Youth	(A) 507.5	300	200
	(B) 104	100	—

P.S. Proposed cuts in expenditure totals: 15,134,000.

A. Current expenses (in thousands of dinars)

Chapter	Subject	Original allocation	Suggested allocation or increase
All chapters	280 electricity	4,122	3,730 412.0
	219 fuel	2,114	225
2/1 Lower H.	913	22	12
2/1 L.H.	210	34	35
3/1 L.H.	105	26	10
23/1 Public Security	—	45,525	44,000 1,525
25/1 Justice	(A) 101	705	125 (20)
	(A) 105	2	

6 Budget debate

JORDAN TIMES, MONDAY, JANUARY 29, 1990

Deputies demand establishing system of accountability, propose alternative courses to remedy economic ills

Laith Shbeilat
Yaqoub Qarrash

Deputies Laith Shbeilat and Yaqoub Qarrash addressed the House by underlining the immense economic problem Jordan is facing at the moment as a result of ill-planning and poor political, social, and economic and defence policies.

They criticised the various systems governing the economic and social and political life in Jordan and said they had been laid down by former colonialists to serve their own purpose. They said that had these policies been useful for Jordan, the country would not be facing critical problems and a lack of readiness to counter any aggression.

The country is weaker than ever before and its economic and social systems are in disarray thanks to those who had been giving empty promises to the people who are now faced with paying debts.

Referring to the 1990 budget, Shbeilat and Qarrash said one can notice that what has been allocated for capital expenditure far exceeds amounts allocated for development projects. They said in a joint paper that the government last year borrowed an additional JD 350 million only to aggravate the debt situation in Jordan. The government cannot maintain the level of debts due on Jordan by the end of 1990 at the same level of that by the end of 1988 as it had said in the budget report, because of the accumulating debts and services on them, and due to the government's latest borrowing of extra JD 350 million, they added.

Since the creation of the emirate in Jordan no government had yet taken a real and serious effort to deal with the recurrent deficit in the country's balance of trade. They noted that the highest rate was registered between 1981 and 1985 when it stood at JD 824 million. The 1990 budget does not show any figures about the operations and the deficits in the semi-independent institutions like Royal Jordanian (RJ), which sustained losses exceeding JD 80 million. They said that RJ is now making preparations for selling one more of its planes, and commissioners are out in the markets trying to conclude the transaction, they said. They called on Parliament to take responsibility in this matter and to hold investigations into such questions as who will benefit from such transactions. Shbeilat and Qarrash said that RJ together with other organisations have sustained a total loss of JD 820.9 million along with the armaments fund which is indebted by half a million dinars. Lack of supervision over such institutions, they said, has been a grave mistake which must be corrected.

Shbeilat and his colleague criticised the government's policy of retiring persons at an early age and said that the total amount paid to the pensioners as included in the budget stood at JD 83 million, accounting for nearly 16 per cent of the total current expenditure.

Referring to defence expenditure Shbeilat and Qarrash said that as Jordan is a country with meagre resources guarding the

longest confrontation line with the enemy, a new method for defence should be initiated so as to attain national objectives because defence in the traditional sense is impossible in view of the huge cost.

They said in their view there was no other way to defend the country except through arming the people with all types of light arms which can be produced by the armed forces workshops and plants.

They cited the popular resistance in Lebanon which constituted only members of the public who were able to confront Israel's military power. Lebanon's regular forces in their weak position were not match to any of Israel's aggressions on Lebanese territory, and it was left to the people to resist invasion.

A change in the defence strategy, in Jordan Shbeilat and Qarrash said means conquering the internal enemy represented in excessive consumption and is bound to bring about a total change in social values and bring unity to the country. What Jordan needs he added is a new economic and military strategy that will unite the people who should at the same time give more attention to agriculture and light industry, transforming each settlement into strong fortress.

Ahmad Al Kofahi

Deputy Ahmad Al Kofahi (Irbid) attacked the draft budget for being traditional and which, he said, does not rise up to the level of the present critical situation in Jordan, a country plagued with unemployment, soaring prices and poverty affecting a large sector of society.

Kofahi said the draft budget contained no plans for replenishing the gold reserves at the Central Bank of Jordan or retrieving the stolen funds which, he said, have been smuggled to banks abroad.

Nor did the draft budget provide new measures designed to control the semi-independent institutions and neither did it make any assessment of these organisations' and public share holding companies' profits.

Kofahi, who is member of the Muslim Brotherhood in Jordan, called for institutionalising Islamic values in production and in achieving social justice. He suggested:

1- That the government and people retrieve their billions of dollars in Western nations and utilise them in useful and productive projects.

2- That all persons in responsible positions give extra care in handling public funds. He criticised those who squander funds to serve their own selfish interest, wasting millions on vehicles, furniture and other matters.

3- That the government should end all allowances given to officials as rewards, per diems, and others so as to tighten control on public spending.

4- That funds be placed in the hands of those who can safeguard them, and that the government put an end to the behaviour of the rich who squander funds on festivals, recreational activities and armed forces workshops in producing all Jordan's needs of light industrial

poor by paying zakat (alms to the poor).

5- That strict penalties be imposed on those who receive bribes in their dealings in public business and those who are in responsible positions who encourage corruption like favouring certain contractors in tenders for projects.

Referring to the draft budget, Kofahi called on the government to follow the following steps to reform the economy:

1- The country's debts: The government should stop borrowing more money from any source, should cancel all loan agreements, and resist any pressure from the debtor countries.

2- The government should take measures to provide funds for paying debts by:

a) Questioning officials about their wealth and giving rewards to people who can come up with information leading to exposing manipulators of public funds.

b) Introducing legislation forcing those who smuggled their money abroad to return it to the country.

c) Introducing a law to force people to pay zakat (alms) to the poor.

d) Imposing a special tax for the national construction effort to be imposed on banks, companies, the rich and the expatriates.

e) Dispatching Jordanian delegations to Arab and Islamic countries to raise funds and help Jordan confront Israel's expansionist plans.

f) Ending the present system of interest on loan and adopting the Islamic system.

g) Reducing current expenses in all projects and adhering to austerity.

In dealing with the question of unemployment, Kofahi said that the government can help end the problem by initiating productive projects like helping the Ministry of Agriculture to promote the livestock and agricultural wealth. He said that the Ministry of Industry and Trade should lead the way for the universities, the Royal Scientific Society, vocational training centres and armed forces workshops in producing all

4- That funds be placed in the hands of those who can safeguard them, and that the government put an end to the behaviour of the rich who squander funds on festivals, recreational activities and armed forces workshops in producing all Jordan's needs of light industrial

products which can be developed in the future.

Kofahi called on the natural resources authority to double its efforts in exploiting mineral resources and to search for oil and natural gas.

On current expenditure, Kofahi called on the government to increase the salaries of low-income groups and urged the government to link wages to the cost of living.

He urged the government to cut expenditure on the military sector and to turn the major part of the intelligence service to other offices and institutions.

The deputy expressed the view that the government subsidised commodities are benefiting the rich more than the poor people.

He said subsidy should be made to benefit the low income groups only and that the government should turn the rest of the funds to the National Aid Fund which helps the needy people.

Fu'ad Khalafat

Deputy Fu'ad Khalafat of Tafith said that all officials in charge of running Jordan's economy must:

"have technical and specialised capabilities. Furthermore, they should be sincere, just, and truthful. On this basis, I demand that the government reconsider officials and leaders who will lead this country and extricate it from its current crisis." He also called for improving general services in Tafith Governorate.

Yousef Khasawneh

Deputy Yousef Khasawneh from the Irbid Governorate told the House that the difficulties which Jordan is facing at the moment as a result of unemployment, debts, bad educational levels and soaring prices are only symptoms of the real illness which can be summed up in corruption that dominated the previous administration.

He said that corruption and ill administration in the past years presented themselves in:

1- Favoured and nepotism, given to all the important positions given to particular groups who benefited at the expense of the

2- That the rich should help the

rest of people.

2- The previous administration more often than not placed the wrong man in the wrong position. Placing the right person in the right position would help solve many of our problems.

3- People in responsible positions in the previous administrations lost all values and did not feel ashamed in trespassing on people's dignity and in depriving people from their freedom and their property, and finally were not deterred by any force from stealing public funds and the treasury.

4- People in key positions who made a name for themselves abroad came to Jordan to assume important positions only to abuse power and to exploit people and their country. They pillaged Jordan, fought against the honest and hardworking people and built for themselves, a glory. He said that Jordan boasts that it can carry out heart transplant operations at a time when many of its people lack proper vaccination against common diseases, and has to date failed to deal properly with such diseases like measles, and meningitis.

He said that Jordan has been building a glory in the world of civil aviation without possessing a single aircraft. In this it has incurred huge debts which the people of this country are now forced to face.

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the funds paid for steadfastness over the past 15 years so that Parliament can be informed of the way these funds were spent and to whom they went.

He said that this is the demand of the largest sector of the masses in Jordan who now realise that a large section of these funds went to a group of people who spent it on their gambling in Europe and America and on their pleasure and on building palaces and villas. He called on the government to question all those who amassed wealth to explain, and give account for their actions.

Ahmad Qntash

Ahmad Qntash (Madaba), a member of the financial committee of the House, said "the dangers facing us, especially the economic threats, can only be countered through Islam."

The deputy paid tribute to His Majesty King Hussein, who, he said, "had more vision and intelligence than those who wanted to continue our earlier way of life."

Qntash called for building trust between the citizen and the government, "because without this trust we will not be able to face the future."

Jordan should have adopted corrective economic measures years ago, he said. The government should cooperate with Parliament to clarify all facts and "punish all those responsible, even those who are still in office," he added.

Qntash outlined several measures which, he said, could help address the economic situation. He called for reduced consumption and increased exports, but underlined the need to maintain support for the Kingdom's armed forces.

Issa Madanat

Issa Madanat (Karak) blamed past government's political and economic policies for the Kingdom's imbalance in spending between productive and non-productive sectors. "These governments overspent on service and infrastructure," he said. In addition, he said, there was a decrease in spending on productive projects.

He also blamed "external

forces, most prominent of which was the success of capitalist countries in exporting their products to developing countries" for the economic problem.

Madanat suggested that the budget address the country's problems through revamping the economic structure, solving the unemployment problem, curbing the rise in cost of living, and balancing foreign debt repayments.

He said there was a very large envisaged increase in "direct and indirect taxes" in the budget coupled with a reduction in investments and more focus on spending on infrastructure.

Marwan Al Hinoud

Balqa's Deputy Marwan Al Hinoud said that the general budget comes as a statement in numbers complementing the speech from the throne by His Majesty King Hussein and the government's programme. He said that the numbers in the budget imply the nature of the coming period and includes an evaluation for the past in its plan, programme and practices.

Jordan should have adopted corrective economic measures years ago, he said. The government should cooperate with Parliament to clarify all facts and "punish all those responsible, even those who are still in office," he added.

The first is that "Jordan is the solution" scheme which is a conspiracy that aims not only at Jordan, but also on the Palestinian issue and the Arab system as a whole. He said that "King Hussein's implications for this subject affirmed that Jordan is passing under pressure for its leading role in defending the land, people, and problem of Palestine," and in defending Iraq in its war with Iran, and aimed at its democratic experience.

Hinoud asked for reaching self-sufficiency in producing vegetables and fruits for local consumption and for exportation in order to adjust the balance of payments. He also asked for a solution for the problem of dependency on other countries in securing the national need of meat.

The second pressing issue is the rising cost of living to a limit that threatens the social security, Hinoud said.

The third issue, he said, is establishing democracy not only verbally but as a way of thinking and a daily practice. He said that although it is the hardest job to achieve, it is self-immunity that

guarantees defending the homeland and the regime, while at the same time it guarantees the citizen's security, dignity and his voluntary contribution to this process.

Hinoud said that the general budget is a general programme that the executive authority cannot achieve alone without the full commitment of the constitutional authorities, official and public institutions and the citizens. He said that reducing consumption, increasing savings and investment, reducing unemployment rates and inflation and decreasing the deficit in the budget and the trade balance, and settling the exchange rates of the Jordanian dinar cannot be accompanied except by translating the national sense of pride into deeds.

Hinoud said that the programme cannot be described only as economic since it has various scopes that deal with all walks of life. An example, he said, if it was a practical necessity for the reform process to reduce the deficit in the budget by increasing local revenues, the local revenues will increase simultaneously when the citizen views taxes as a duty, not as a burden.

Hinoud recommended that the private sector be given an advanced role in the processes of building and investment. He said that it is time to discuss with the government a detailed programme to activate the role of the private sector.

Another issue raised by Hinoud was the problem of water, which he said should be given priority. He warned of the shortage of water in the coming future and asked for holding studies to deal with this problem.

Hinoud asked for reaching self-sufficiency in producing vegetables and fruits for local consumption and for exportation in order to adjust the balance of payments. He also asked for a solution for the problem of dependency on other countries in securing the national need of meat.

Hinoud also raised Baqaa camp's problems, such as the inadequacy of health services and the United Nations' Relief and Works Agency (UNRWA) procedures.

Fakhr Kawaar, Bassam Haddadin and Theeb Marji

Deputies Fakhr Kawaar, Bassam Haddadin and Theeb Marji jointly presented a paper in which they rejected the government's draft budget after backing their decision with measures they said the government failed to address.

They praised the government's structural

Deputies demand establishing system of accountability, propose alternative courses to remedy economic ills

(Continued from page 6)

structural imbalances in the economy such as the weak production base and the performance of the services sector, in addition to continued dependence on financial aid and external borrowing.

Kawar (Amman), Haddadin (Zarqa) and Marji (Irbid) said the finance minister's reference in the budget to increasing reliance on internal revenues was no more than "empty rhetoric," and called for the adoption of "a target figure for a gradual but decisive action to eliminate financial reliance on foreign countries, whether this reliance is in the form of debts or engagements that lead to aid."

The deputies said that low income Jordanians paid the price for the government's measures that halted further economic deterioration during 1989.

"Inflationary pressures increased after the 50 per cent devaluation of the dinar, salaries and fees were frozen while the cost of living increased much higher than the rate mentioned in the draft budget," they asserted, adding that price increases "reached almost 100 per cent."

They said the government used provisional laws to impose taxation without waiting for Parliament's endorsement and that this taxation increased pressure on low income families.

"Talk about achieving social justice in this budget is a form of fiction," they said. "While some of the measures will lead to reducing the profitability of companies, and major capitalists, the majority of these measures and the general socio-economic policies will lead to escalating pressures on low and middle income citizens and to increasing the misery of an important sector of society."

Commenting on the government's five-year (1991-1995) structural adjustment programme, which was based on the programme worked out with the International Monetary Fund, the three deputies said this plan was designed by "technocrats who do not consider political and social implications."

"We still do not know whether this plan will be presented to Parliament for discussion and approval or will be drafted in closed offices."

They concluded that "since this budget emanates from the structural adjustment programme signed with the IMF, and since it is a continuation of the previous economic course... we find ourselves forced to declare our rejection of the course adopted in the draft budget for 1990, hoping that the government will offer, in the future, a budget that emanates from a new economic and political course that recognises the gravity of the crisis, our national interests and the interests of the struggling sector in society."

Taher Al Maari

Taher Al Maari (Amman) noted that the budget was prepared long time ago and it, as such, didn't reflect the changes which occurred during the last six months.

Al Masi said that the IMF economic structural adjustment programme envisages general terms leaving the specifics to the government's judgement and, therefore, he asked how the authorities were distributing the austerity measures fairly among the citizens.

He inquired about the policies that the government should take to spur the private sector to bolster the economy and regain confidence since the private sector was more qualified to do the task more efficiently.

The Amman deputy saw Jordan's prosperity in the services sector as it brings to Kingdom the much needed foreign exchange. He added that due to the fact that Jordan is mostly an importing country and import in industries require spending the hard currencies, the government should do its utmost to focus on bolstering the services sector and make Jordan a centre in this area.

In further comments, Al Masi said that the parliamentary finance committee failed to specify the amount of subsidies that would be required noting that it was unclear whether the subsidies would increase or decrease.

Masi also inquired about the revenues of gas produced from Al Rishieh region which he neither found listed in the budget nor in the financial committee's report and asked Minister of Finance Basel Jardaneh to present an explanation in this regard. He also reiterated his proposal "to annually link income tax law with the budget law so that percentage

of income tax will annually be dealt with in accordance with Jordan's economic situation."

Marji warned against any possible failure to properly invest the Social Security Corporation revenues which would place on the Jordanian economy heavy financial burdens.

Jordan's economic problems need long-term solutions so that a budget for a single year cannot find immediate solutions but rather be the start. I believe that if the government takes into consideration the financial committee's report and the constructive remarks deputies presented, then this will be the sound way towards solving Jordan's economic and financial problems," Marji continued.

Marji concluded by endorsing the 1990 draft budget.

Hamman Saeed

Deputy Hamman Saeed expressed reservations over the financial committee's decision to cut the Public Security Department's current expenditure allocations and spending on universities.

The Amman deputy argued that the draft budget did not constitute a "reform programme" and called on the government to restructure its philosophy and concept by rearranging its priorities to confront existing challenges and dangers.

Saeed, a member of the "Islamic bloc" maintained that military spending and allocations for food security were necessary to "safeguard our existence."

"A financial strategy based on Islam would be appreciated by millions of our people," he told the house.

Dr. Mohammad Al Haj

Zarqa Deputy Dr. Mohammad Al Haj said that the budget's draft law "did not satisfy the people's desire to see Jordan transforming from a consuming market into a producing country."

He said that the capital expenditure in the budget form 31 per cent while the current expenditures form 69 per cent. This, he said, reflects the backwardness in development projects and plans when compared to expenditures in other fields. He said that this phenomenon in the budget law should be changed.

Saad Haddadin

Saad Haddadin (Mafraq) said the country's economic problem was a "direct result of the lack of real allegiance to the homeland and the spirit of responsibility while adopting superficial policies."

Haddadin called for "redirecting our attention to our villages and rural areas and to agriculture to build a strong economy." He said investments and production should be increased and more employment opportunities should be created.

The Mafraq deputy called for changing the present form of food subsidies since, he said, "they only serve the rich because poor families consume only limited quantities and utilise basic foodstuffs such as sugar and rice with care."

Al Masi said that the IMF economic structural adjustment programme envisages general terms leaving the specifics to the government's judgement and, therefore, he asked how the authorities were distributing the austerity measures fairly among the citizens.

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programmes. I hope our economic problems will not obstruct us from addressing social development and socio-economic imbalances."

The poverty problem has to be addressed before it turns into an erupting volcano which could destroy us and will be very difficult to control," Boush warned.

Abdul Rahim Akour

Deputy Abdul Rahim Akour was disappointed with the government's failure to address the "bumanitarian aspects" in the budget.

"If we are looking for the success of our development drive, it is necessary that we concentrate on human being as our first priority," Akour said. "Therefore, I do not think that Jordanians, who have been accustomed to consumerism will be able to change unless we move towards educating them how to abandon personal interests for the sake of the majority."

He observed that the budget focused on the role of the public sector without engaging "pockets of wealth in society who exploited the devaluation of the dinar to raise prices and make great profits."

Akour noted that while the cost of living increased by 27 per cent, incomes remained the same.

Salamah Ghwairi

Salamah Ghwairi of Zarqa criticised the draft budget for "failing to provide expected and adequate fund allocations" to governorates and districts.

"This means that some governorates will not enjoy any allocations at all in this budget, including the Governorate of Zarqa. The Zarqa Governorate's share of the gross expenditure, as proposed in the 1990 draft fiscal budget, does not commensurate with its huge size or population," Ghwairi said.

Turning to the large number of factories located in Zarqa Governorate, Ghwairi urged the government and Ministry of Industry and Trade in particular "to commit these factories to the duty of contributing to developing local environment and, furthermore, to launch a special charter that organises dealings between the administrations of these factories and the governorates' municipalities so as to promote our society," Ghwairi added.

He called on all Arab countries designated as aid donors to Jordan under the 1979 Baghdad summit resolutions to honour their commitments in full to Jordan.

Atef Boush

Deputy Atef Boush said the draft budget should have included a political programme that can enhance the economic reform to enable the country face challenges.

He noted Israel's plan to absorb thousands of Soviet Jews into the occupied Arab territories.

"Israelis are intent on attracting more than 20 million Jews from all over the world. This requires expansion which will not be towards the sea, but towards the Arab World," Boush said.

"Whether it is a declared policy or not, we are targeted by the Israelis and, therefore, our budget should have reflected this challenge."

The Karak deputy urged the government to adopt a new approach that would achieve "military strength and production to protect us from threats."

He continued that military security must be coupled with social security "which can be achieved through well-studied

economy and the Jordanian currency and for regaining the public confidence after a series of deterioration in remittances from expatriates and a decline in exports and investments. He urged the government to continue the policies of adjustments by publicising the necessary information to the people.

Al Hadid then turned to the Kingdom's indebtedness which he said it was far above the normal limit of \$3 billion for a country. He said that indebtedness in any country should not exceed 40 per cent of gross domestic product but in Jordan it was 300 per cent and, moreover, it exceeded \$2,000 per individual.

The Amman deputy suggested controlling and reducing the current expenditures through the following means:

- 1) Not to send delegations to attend conferences abroad and to designate an ambassador or embassy staff to represent Jordan at such conferences. In very important cases, the government should not send abroad more than three representatives and for a period not exceeding one week.

- 2) Reduce the number of government parties and receptions to the bare minimum.

- 3) Cut the number of trainees which the government sends abroad.

- 4) Control the telephone expenses of high ranking officials.

- 5) Control the transport expenses of government vehicles.

- 6) Save JD 2 million annually by cancelling the Greater Amman Municipality and returning the counties surrounding Amman to their former status.

- 7) Give specialised Jordanian companies the engineering designs which, according to the budget, are valued at JD 8.5 million under "research and studies" titles.

Abdul Salam Freihat

Ajloun Deputy Abdul Salam Freihat said that Ajloun district did not get enough attention from successive officials in the government.

Ajloun Deputy Tai'meh (Balqa) focused on the agricultural aspect of the economy by stressing the food security priority. He concluded that food security was the key to break away from economic colonialism of world powers and its agencies such as the IMF and the World Bank.

The Balqa deputy said that the budget contained no emphasis on agricultural development... a situation which will keep Jordan a big spender on food imports and food subsidies.

Tai'meh disagreed with the recommendation of the financial committee to reduce the budget of Public Security Department.

He called for cutting expenses on government vehicles and for strict controls over all fixed assets in as much as fighting corruption on all levels. On the revenue side he said rich people should contribute more and that poor people should not financially press beyond their present hard conditions.

Finally Tai'meh stressed the urgent need to attain self-sufficiency by moving more towards productive enterprises.

Nawaf Khawaldeh

Nawaf Faris Khawaldeh (Mafraq) chose the Audit Bureau as being the main guardian to public funds and the controller of government spending. As such, he urged giving the bureau all the power to play a major role in governing trends of efficiencies or corruption wherever they may be located.

Khawaldeh highlighted the suffering of citizens from the high cost of living and urged the government to brake inflation and adopt practical measures to reduce prices in general.

The Mafrag deputy also called on the government to privatise some public institutions in the fields of transport and telecommunication.

Finally, Khawaldeh, noted that some government institutions rent their premises from the private sector at high cost and he recommended that the government should study this subject and consider building its own premises to be financed by the Social Security Corporation.

Jordan's image abroad has become distorted and blurred as a result of the actions of those responsible for planning and the economy.

Zreiqat called on the government to come to the aid of the needy groups in society to help them face soaring prices and the high cost of living. For this to happen, he said, tighter control should be clamped on merchants especially those dealing with food supplies.

In addition, he demanded that the government start looking seriously for new areas abroad where Jordanians can be employed.

Zreiqat criticised the draft budget for giving more attention to capital expenditure rather than development projects. He said that the budget did not present a comprehensive and integrated national plan that can help end the economic crisis in Jordan.

Hisham Sharari

Deputy Hisham Sharari of Ma'an Governorate expressed some reservations about the financial committee report. He enquired about the proposal to merge the Agricultural Credit Corporation with the Cooperative Organisation when, the latter is a private institution.

"How come we demand cutting budgets of universities while we demand enrollment of larger numbers of students... and how come we demand cutting budget of the Public Security Department at a time we concentrate on bolstering the security organ and raising its efficiency to protect citizens?" Sharari asked.

He also called for restructuring the Aqaba Region Authority so that it would become a centre for planning and executing all programmes and development plans in southern district.

Sharari also criticised proposal to cut municipalities' budgets stressing that "this will have adverse effect on municipalities and citizens as well."

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Egypt increases oil pipeline transit tolls, plans expansion

CAIRO, Egypt (AP) — Officials have increased by one-fourth the cost of sending oil through an overland pipeline skirting the Suez Canal to the Mediterranean Sea and plan a 50 per cent expansion of its capacity.

Chairman Ibrahim Hamza of the Arab Petroleum Pipelines Co., which owns the facility known as Sumed, did not specify when the higher transit tolls were implemented. But he said they will last "until the end of December," implying a review afterward.

Effective Jan. 1, transit tolls for the canal north of Sumed's eastern mouth on the Gulf of Suez increased by up to 7.3 per cent. At the same time, the Suez Canal Authority's chairman, Ezzat Adel, announced a discount scheme for supertankers that use the pipeline in conjunction with canal transits.

The government's Middle East News Agency quoted Sumed's Hamza as saying the new pipeline toll is \$2.55 a ton.

Sumed officials in the Mediterranean city of Alexandria

told the Associated Press the old tolls for crude oil going through the 336-kilometre double pipeline were \$1.70 to 2.20 a ton, depending on the type of crude. This meant an average of almost \$2 a ton.

Hamza did not give the new minimum and maximum tolls. His figure of \$2.55 a ton apparently represented the average new rate.

He said the increase decision was taken in the light of economic studies, world oil market forecasts and the economics of operating tankers."

The news agency quoted him as saying that more than 50 per cent of Arab oil from producers in the Gulf destined for Europe went through Sumed last year. In all, 36 types of Arab crude oil move through it, he said.

The pipeline runs from Ain

Sukhna, 54 kilometres south of Suez, across the Eastern Desert to a point just south of Cairo. There it turns northwest to Sidi Kreir, 27 kilometres west of Alexandria.

Hamza said Egypt's oil minister, Abdal Hady Kandil, has approved a project to raise the pipeline's annual capacity from the present 30 million tons to 120 million tons.

The Egyptian government owns 50 per cent of company shares and almost all its personnel are Egyptians. Each of the governments of Saudi Arabia, Kuwait and United Arab Emirates has 15 per cent of shares and Qatar 5 per cent.

When the line began operating in 1977, its capacity was 40 million tons annually. That was doubled shortly afterward.

Because the Suez Canal accommodates ships with drafts no deeper than 16 metres, the pipeline enables supertankers too large for a loaded canal transit to unload at Ain Sukhna. The oil is pumped through the 1.05-metre

pipes to Sidi Kreir, where it is picked up by other tankers or by the original supertanker after transiting the canal empty or with a reduced load.

Hamza said Sumed has turned Sidi Kreir into "a world oil trading centre for the national companies of the Gulf states. Some countries, such as Saudi Arabia, are posting oil prices as delivered at Sidi Kreir."

The Ain Sukhna and Sidi Kreir terminals have 13 storage tanks each, and an additional two under construction at each end, Sumed officials said. Each tank's capacity is about 85,000 tons.

Based on a feasibility study, Sumed's expanded capacity will be achieved by building a station halfway along the pipeline just south of Cairo to boost pumping.

Hamza said \$90 million have been appropriated for the station but did not say when construction will begin or when the expansion project will be completed.

Egypt gets 27.5 per cent of pipeline revenues in transit royalties plus 50 per cent of net profit under the shareholding agreement.

S. Arabia to export gold, silver soon

JEDDAH (AP) — Saudi Arabia, the world's leading oil exporter and possessing a quarter of global oil reserves, will soon start exporting gold, silver and other precious metals, officials said Saturday.

The exports will be from the Suhaybarat mine which lies 300 kilometres east of the city of Medina on the Red Sea, and are scheduled to start early 1991 at a rate of 1,500 kilograms a year.

The Saudi Company for Precious Metals (SCPM), a 50-50 Saudi-Swedish joint venture running the project with a capital of 103 million ryals (\$25 million), disclosed the export plans as it invited tenders for the setup of a

four-megawatt-capacity power plant as part of the needed utilities. Feb. 3 is the deadline for bids.

The gold will be shipped overseas by air to be sold on the basis of competitive bids to refineries in Europe and the Far East, company officials said.

The kingdom claims an ancient gold mining area running in a crescent-shaped seam on its eastern coast, with some saying it was once King Solomon's legendary mines. From time to time it tried to revive the pits, but a serious effort began only in 1983.

The first modern gold mine is at Mahd Ad-Dahab area, southwest of Medina, estimated to

have reserves of 1.1 million tons of gold ore. Suhaybarat has reserves of approximately 8.4 million tons of ore, giving the project a life span of 13 years, according to company statistics.

SCPM

says

a

number of interesting prospects have been identified in the vicinity of Mahd Ad-Dahab and that exploration work is already planned for assessing their potential.

SCPM was set up in 1988 by the General Petroleum and Mineral Organisation, or Petromin, and Boliden of Sweden mainly to exploit gold and other metals at the Suhaybarat area. Boliden, a member of Trelleborg Group, has developed and operated ab-

out 50 mines in Sweden and other countries since it was established in 1925.

But the Suhaybarat project dates back to 1983 when Petromin and Boliden together began exploration work which proved that gold was available in commercial quantities.

The exploratory drilling re-

vealed that gold ore not only

occurred in the previously mined

quartz veins but also in gran-

odiorite intrusions associated with them.

The ore body is so close to the

surface that open pit mining

methods could be used instead of

much more complicated under-

ground mining methods, the offi-

cials said.

Iraqi economist criticises budget

BAGHDAD (AP) — A top Iraqi economist Saturday criticised the state budget for 1990 as being incapable of boosting growth or curbing inflation — the two main targets set by the government.

Professor Humam Al Shamma wrote in the daily Al Qaddissiya that heavy reliance on deficit financing and an insistence on boosting profits of state-run indus-

tries were bound to push inflation higher.

"From details of the budget released so far, it is obvious that no reconciliation can be achieved between the targets of combating inflation, and economic growth," Al Shamma wrote.

The article in Al Qaddissiya, which is the newspaper of the Iraqi armed forces, was an unusual case of an officially tolerated criticism of basic government policy.

In other recent signs of a mea-

sured opening of public life in tightly controlled Iraq, the government recently lifted a ban on foreign travel by Iraqis.

The government has not pro-

vided full budget figures, but it

has released — for the first time in years — some of the allocation totals for particular sectors.

Iraq's deputy prime minister

for economic affairs, Sadoun Hamadi, said earlier this month the main objective of the budget was to curb inflation, conservatively estimated at 40 per cent annually.

Hamadi said the government would seek to accelerate economic development, supply more basic goods, maintain the needs of the army and off foreign debts.

But Al Shamma said the government's reliance on printing more money to cope with the budget deficit, as well as expected

increases in the prices of goods sold by the government-owned enterprises, will lead to skyrocketing inflation.

He also criticised a government system that allows Iraq to import whatever goods they want from abroad by using their savings abroad, as one more factor that would increase inflation.

Most of the goods imported now by using this facility are paid for with Iraqi dinars smuggled to neighbouring countries such as Kuwait, Jordan and Turkey.

Iraq is expected to make about \$18 billion from its oil exports in 1990.

The government has announced its intention to seek medium and long-term credit. Iraq announced earlier this month it plans to pay off \$3 billion of its debt this year and stop all costly short-term bor-

rowing.

The government has also criticised the government's economic plan for setting the curbing of inflation as its top priority.

"It would rather put paying

foreign debts as the first priority, accelerating economic growth as

Britain posts record trade deficit

LONDON (R) — Britain has unveiled a record trade gap for 1989.

The current account deficit, the widest measure of Britain's foreign trade, rose to £20.3 billion (\$34.25 billion), after £20.83 billion (\$34.7 billion) in 1988 and £10.93 billion (\$18.2 billion) in 1987.

Financial analysts said the figures were good news for the government but not enough to bring about a lowering of Britain's relatively high interest rates.

"Even the most cheerless of people would have to say that these figures are jolly good," said Bill Martin, chief economist at stockbrokers UBS Phillips and Drew.

Richard Jeffrey, director of

economics at brokers Hoare Govett, said: "I think the government will be extremely encouraged, but it cannot be said that these figures are enough to open the door to lower interest rates."

Inflation, currently running at an annual rate of 7.7 per cent, remained a problem, he added.

The government said the data showed British firms had performed well in the final three months of 1989 despite high interest rates.

"The figures for the quarter provide clear evidence that British industry is responding well to the current challenging circumstances," a treasury spokesman said.

The soaring trade deficit prompted the government to push interest rates even higher last year to curb inflation and damp down demand for imported goods. Bank base rates were last raised in October from 14 to 15 per cent after being as low as 7.5 per cent in the spring of 1988.

The opposition Labour Party said the record annual deficit was grim news for Britain. Finance spokesman Gordon Brown said:

"Only the most complacent and blinkered supporters of the government would take credit for a monthly deficit above £1 billion (\$1.66 billion) that concludes the worst trading year in Britain's history."

OTS to take action against Bush's son

WASHINGTON (R) — The regulator of the U.S. savings industry, rocked by a scandal estimated to cost American tax-payers more than \$150 billion, will take administrative action against President George Bush's son, Neil, charging conflict of interest in decisions he made as a director of failed savings institution.

Two other consortia, one led by Bahrain's Arab Banking Corporation (ABC) and Kuwait-based Gulf Investment Corporation (GIC) to arrange a \$360 million loan, bankers have said.

The 10-year facility, the biggest commercial loan in the Gulf for several years, is the first part of \$1.4 billion expansion that will more than double the saver's capacity to 465,000 tonnes per year.

Bankers said details of the loan package would be finalised in the next few days and other international banks invited join afterwards. The loan would probably be signed before the holy month of Ramadan begins in late March.

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The ABC consortium includes

Manufacturers Hanover, Arab

Bank Limited, Riyad Bank, National Commercial Bank,

Bank of Tokyo, Industrial Bank of Japan, Mitsubishi Bank and Sumitomo Bank.

officials would direct Bush not to engage in any further conflict of interest, should he ever work at a federally-insured savings institution.

The OTS said it decided to seek the administrative action against the president's son after he announced that he had broken off negotiations with the agency, which had been going on for several weeks.

Silverado is one of hundreds of savings institutions whose failures over the past several years prompted a \$159 billion bailout law signed by President Bush last August. At least 200 institutions are expected to become insolvent in the months ahead in addition to the more than 300 that have already been seized, sold or li-

quidated by the U.S. government since August.

To win the cease and desist order, the matter must be heard by an OTS administrative law judge in a process that could take up to a year to complete. If Bush loses, he could appeal.

Bush, 35, one of the president's four sons and owner of an oil and exploration firm in Denver, has denied any wrongdoing in connection with his role as a Silverado director.

He resigned his post in August 1988, two weeks after his father received the Republican presidential nomination.

Five other former Silverado

officials have agreed to OTS orders during the past few weeks that effectively bar them from the

savings and loan banking business.

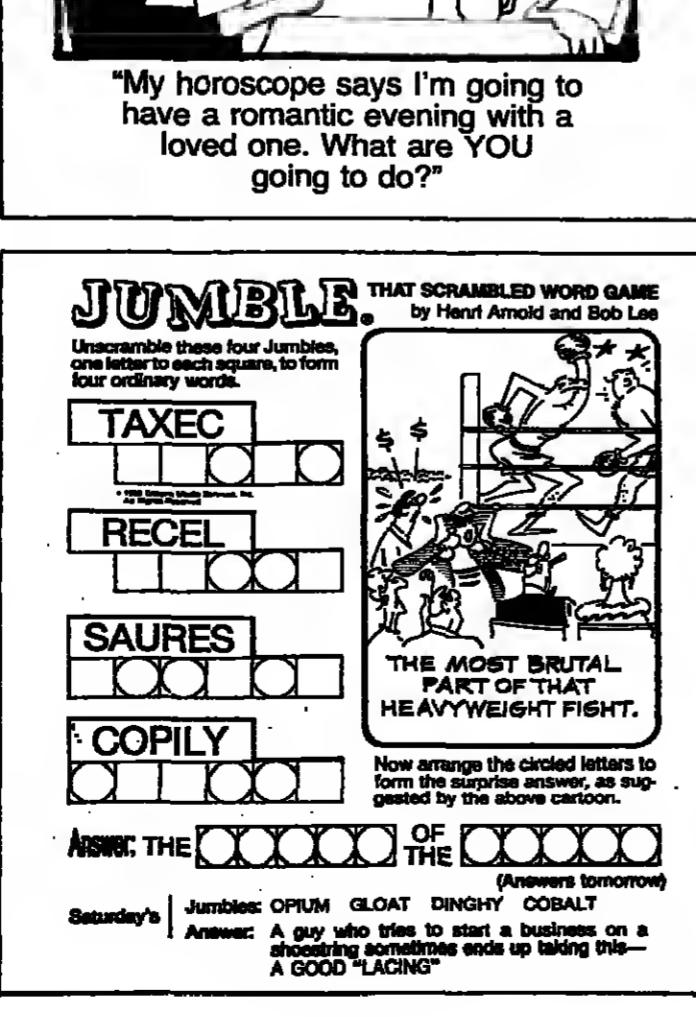
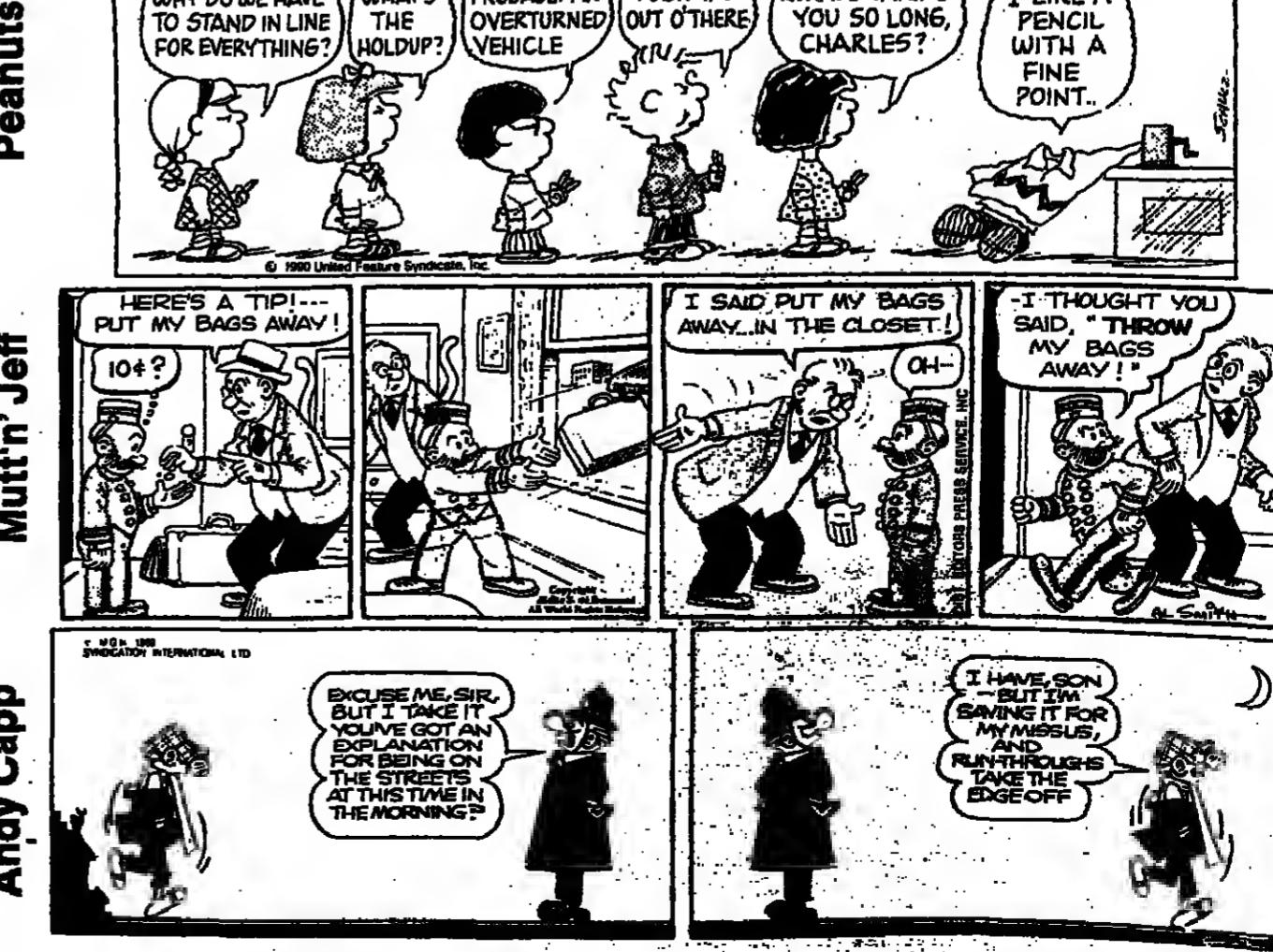
Experts and regulators have cited fraud and mismanagement by savings and loan executives as major factors behind the industry's crisis.

The government seized control of Silverado in December 1988 and subsequently sold it to First Nationwide Financial Corporation.

Estimates of the cost of the failure to U.S. taxpayers range as high as \$1.6 billion.

The OTS has been investigating charges that Bush took part in decisions to approve loans to businesses associates.

It said its examiners found Silverado managers were deficient in assessing the creditworthiness of borrowers.



Andy Capp

AMMAN EXCHANGE RATES

Sunday, January 28, 1990.

Central Bank official rates

Buy Sell French franc 115.0 116.2

Japanese yen (for 100) 461.1 465.7

Dutch guilder 345.9 350.4

Swedish krona 106.8 107.9

Italian lire (for 100) 32.3 33.0

Belgian franc (for 10) 186.7 188.6

U.S. dollar 659.0 665.0

Pound Sterling 1096.7 1107.7

Deutsche mark 350.6 354.1

Swiss franc 441.8



Demonstrators in Bucharest, Romania, defy a government ban to protest against the ruling National Salvation Front.

Srinagar curfew eased; residents stock supplies

SRINAGAR (Agencies) — Srinagar residents poured from their homes Sunday to stock up on food and medicine when government troops briefly lifted a curfew intended to stifle a rebellion by separatists.

At least 72 people, mostly protesters defying the curfew, have been killed since it was imposed Jan. 20.

Occasional gunshots, four or five at a time, were heard. But there was no reports of new casualties during the six-hour curfew break.

The 24-hour curfew was imposed in a campaign to quell escalating violence by militants who want Kashmir to secede from predominantly Hindu India and become independent or join neighbouring and Islamic Pakistan.

Private vehicles were allowed onto streets for the first time Sunday since the crackdown, but motorcycles were not allowed to carry riders. Four unarmed air force officers waiting outdoors were killed Thursday by motorcycle gunmen.

State government officials have said repeatedly the situation is under control and the civil administration is still running the government, despite the military presence and rigidly enforced curfew.

Residents disputed the report. "The situation is very bad," said one Muslim, an employee of the state government, who

declined identification.

The curfew, intended to confine people to their homes, was lifted at 5 a.m. (2300 GMT Saturday) and reimposed at 11 a.m. (0030 GMT Sunday).

People loaded up on potatoes and onions, but there were few green vegetables and no meat.

Little fresh produce has reached this city of one million people since the crackdown.

Residents said the separatists had warned shopkeepers not to sell meat, because the troop deployment in the city was "sign of sorrow" and people should not enjoy themselves by feasting on meat.

Traffic police directed cars and three-wheeled motorscooters at intersections while heavily armed soldiers and paramilitary troops patrolled on foot and in trucks.

Foreign correspondents were severed to the hotel where Indian and foreign journalists have been staying, and staffers at the central telegraph office said they had been ordered not to transmit news dispatches.

Manvi Mohammad Farooq, a top Muslim cleric as spiritual leader at Srinagar's leading mosque, appealed to the United Nations to search for a solution.

He issued a statement Sunday claiming civic authorities had "handed over the city to the army, frustrating the people by curfew restrictions and massacre of innocent people... night raids, large-scale arrests, curbing the freedom of the press."

The crackdown is the first major crisis besetting the eight-week-old government of Prime Minister V.P. Singh.

The military said eight people were killed, 25 others wounded and more than 100 houses burned in fighting which erupted Saturday around the southern Philippines town of Pikit, about 900 kilometres south of Manila.

Evacuees interviewed by reporters said the separatist rebels, estimated by the military at between 500 and 1,000, seized about 150 hostages in coordinated raids in 11 predominantly Christian villages around Pikit.

More than 50,000 people died at the height of the separatist war in the 1970s. A shaky truce has been in effect in the region since

1986 when President Corazon Aquino took power in Manila in a popular revolt which toppled Ferdinand Marcos.

Locals said the latest fighting was sparked by the massacre of a Muslim family in a Pikit village a few months ago. The killings were allegedly carried out by a commander of a militia group formed by the military to fight insurgents.

Residents said the militia leader and his men were ambushed last August by MILF rebels and the militia chief retaliated by massacring a Muslim family, some of whose members he suspected of involvement in the August attack.

At least 10 killed in Kosovo

PEC, Yugoslavia (R) — Police shot dead at least 10 ethnic Albanians Saturday in riots in the Yugoslav province of Kosovo, eyewitnesses said Sunday.

At Orahovac, 300 kilometres south of Belgrade, witnesses said four men were killed by police fire as ethnic Albanians demonstrated for free elections, the resignation of local leaders and the release of political prisoners.

Villagers said at least two other men were killed nearby and witnesses said three were shot dead in Djakovica and one in Pec, about 70 kilometres north of the regional capital of Pristina.

Tunis news agency put the death toll at five Saturday, saying police returned fire after demonstrators shot at them through thick fog in Orahovac and Pec.

But ethnic Albanians in villages around Orahovac said that security forces opened fire without warning at protesters chanting: "Democracy, democracy."

The guerrillas were the worst violence to hit the strife-torn province since 28 people died last year when the Albanians rioted against curbs on their self-rule by Serbia, Yugoslavia's biggest republic.

The body of Naser Elshani, 25, who had been shot three times lay covered by a white sheet as his wife, nursing their three-month-old baby, stood weeping alongside.

Villagers said police also killed Hazer Hothi, 24, Hilmi Krasniqi, a father of five, and 23-year-old Agron Teta, who was due to return to his work in Switzerland Sunday after a holiday visit to his family.

The demonstrators are demanding the resignation of local leaders, free elections and the release of political prisoners.

They also want an end to emergency measures imposed on the area after last year's unrest. Most of the measures were eased in June, leaving only a ban on political protests in force.

Kosovo, an autonomous province of Serbia, has for decades been plagued by tensions between its 1.7 million mostly Muslim ethnic Albanians and 200,000 Christians, Serbs and Montenegrins.

Over 40,000 Serbs and Montenegrins have fled the province in the past 10 years, saying the Albanians were terrorizing them into leaving.

Serbian and Kosovo leaders blame the unrest on separatists who want the province to be absorbed by neighbouring Albania.

The latest wave of riots began Wednesday when police battled 40,000 demonstrators in Pristina, 220 kilometres south of Belgrade, with tear-gas, clubs and water cannon.

Global weather

(major world cities)

Romania parties seek power-sharing deal

BUCHAREST (R) — Romania's leading opposition parties, saying they wanted to avoid the threat of civil war, called on the government Sunday to share power.

Spokesman Ioan Lup read a joint statement over state radio as some 6,000 party supporters and a similar number backing the ruling National Salvation Front (NSF) converged on a square outside the front's headquarters in tense but peaceful rivalry.

The parties say the front, which took over last month after the fall and execution of dictator Nicolae Ceausescu, is monopolizing power and should share it with them in the run-up to elections called for May 20.

President Ion Iliescu and Prime Minister Petre Roman went on television late Saturday to offer some concessions, but the parties' spokesman said they were ambiguous and did not go far enough.

"We don't want civil war, we want civilised discussions so that we can achieve peace and tranquility to work and live better than hitherto," Lup said.

He acknowledged the parties' rally was unauthorized but said it was not intended to lead to violence. He urged Iliescu to take measures to avoid fights between the rival demonstrators on Victors' Square.

Lup said Roman and Iliescu had agreed that representatives of the three opposition parties — the National Peasants' Party, the

National Liberals and the Social Democrats — should meet them for talks, which follow an earlier session Saturday.

He said the parties wanted "to establish the fact that the front will give up (sole) power with the formation of a joint council of national unity on which members of all parties would be represented."

The front, whose supporters claim sole credit for the uprising against Ceausescu, has so far refused such a council.

It has also "outraged the opposition by going back on previous promises to stand down after the elections, and has said it will field its own candidates in the poll.

In Victors' Square, troops, tanks and armoured personnel carriers guarded the front headquarters, which also houses Romania's Foreign Ministry, and reinforcements were rushed into place.

Both groups of demonstrators, their numbers far smaller than expected, seemed determined but peaceable, police kept a low profile.

"We are going to sit here until Iliescu resigns," said one party supporter. "Prepare the helicopter."

This was a reference to the helicopter which whisked Ceausescu away from central Bucharest Dec. 22, the night of his overthrow.

Rebel Communists form new party in Poland

WARSAW (R) — More than 100 rebel Communists formed a breakaway Social Democratic Union Sunday, plunging Poland's former ruling party into chaos as it tried to form a new leftist party of its own.

Tadeusz Fiszbach, a prominent reformer, walked out in disgust from a Communist congress late Saturday but returned Sunday to tell the 1,500 delegates he had set up the Union of Social Democracy.

He made the announcement after the Polish United Workers Party (PWP), crushed by the Solidarity movement in elections last June and ousted from power in September, failed to disband Saturday as planned.

Instead, delegates voted to form a new party before dissolving the old one and began a founding congress to establish it. The rebels dismissed the move as a trick to keep progressives and hardliners together in a monolithic party little different from the PWP.

"We can change programmatic stances and the name of the party but only if we change the people can we be credible," Fiszbach, 54, told the congress Sunday. "A neo-PWP party has no social character and no credibility."

"You can't mix fire and water. You can't be a social democrat today who this is what you were fighting against yesterday," he said.

Delegates sat in silence as the softly spoken Fiszbach, bald and bespectacled, accused the Communists of leading Poland into

economic and political crisis after they were installed by Soviet troops after World War II. He received little applause.

More than 100 people had signed up with his breakaway group and several hundred more could follow suit, he said.

Fiszbach, a prominent reformer, walked out in disgust from a Communist congress late Saturday but returned Sunday to tell the 1,500 delegates he had set up the Union of Social Democracy.

He denied he was servile to Solidarity and said: "I have my principles and I will not change them."

Fiszbach, deputy speaker in the Sejm (parliament), could hold a trump card because many of the 168 PWP parliamentary deputies are likely to side with him rather than be associated with a neo-PWP that has no chance of winning elections.

Foreign Trade Minister Marcin Swiwicki, one of four Communists in the Solidarity-led government, walked out of the congress with the rebels Saturday night and declared himself a non-party member.

He objected to the decision not to dissolve the PWP immediately which party leaders said was to allow it to pass on its property to the new party before disbanding.

The fate of the PWP's property empire — valued by the party at more than \$70 million — has sparked a major controversy. Right-wing parliamentary deputies failed last week to push through a bill confiscating.

Column

Borg in court

STOCKHOLM (AP) — Ex-tennis star Bjorn Borg appeared in court in his second legal battle in two weeks, launching a libel action arising from allegations that he abused drugs. A preliminary hearing involved Borg's suing the Swedish magazine "Z" for \$600,000 for quoting his ex-girlfriend, Janne Bjorling, as saying he used cocaine. The magazine's lawyer, Peter Danowski, told the court that "Z" had heard from other sources that Borg used cocaine before speaking to Bjorling. Borg repeated the denial after the magazine's lawyer, Peter Danowski, told the court that "Z" had heard from other sources that Borg used cocaine before speaking to Bjorling. Borg repeated the denial after the magazine's lawyer, Peter Danowski, told the court that "Z" had heard from other sources that Borg used cocaine before speaking to Bjorling.

Singer robbed

LOS ANGELES (AP) — Singer-choreographer Paula Abdul was collecting trophies at the American Music Awards show while burglars were helping themselves to her valuables at home. Police said the popular entertainer discovered the robbery when she returned to her Studio City apartment where she was named top female pop-rock vocalist and favourite dance artist. "But there was no sign of forced entry and there was no ransacking," said police spokesman Michael Ransaw. "Mostly jewelry was taken." A preliminary estimate of her loss was placed at \$3,400, he said. Studio City is northwest of downtown Los Angeles.

Simple Man

NASHVILLE, Tennessee (AP) — Entertainer Charlie Daniels says his song "Simple Man," which suggests lynching drug dealers and using child abusers for alligator bait, isn't a reflection of his convictions. "Obviously, I'm being facetious with the song," Daniels said in a recent interview at his ranch near Nashville. "I certainly don't think we should string anybody up from a tree or leave people out in the swamps." The man who used to sing about being "stoned in the morning" and "drunk in the afternoon" said the songs does reflect a change in his attitudes.

"The way I put it is, people tell me; 'well, you used to be that way,' and I say, 'yeah, you used to wear diapers, but you don't any more,'" Daniels said. "I don't use drugs in any capacity." Daniels said. "I don't even like to take an aspirin."

Spielberg makes movie on himself

NEW YORK (AP) — Steven Spielberg has done big-budget films about aliens in "E.T." and "Close Encounters," World War II prison camps in "Empire of the Sun" and comic book adventure with "Indiana Jones." What's next? A movie about himself, in a script written by childhood chum and sibling Aneen Spielberg. "Annie just wrote a small, wonderful story about the two of us and my mother," he said in an interview with People's magazine. "We're shooting the whole thing in Cincinnati, where it takes place." It's budgeted for only \$5 million, peanuts compared to his usual productions. "I realized when Annie wrote the script that there was no (big budget) value in my childhood, none whatsoever," he said. "It's basically based on experiences we had, friends of ours. It's more a comedy than an intimate portrait of our growing up."

Global weather

(major world cities)



Two young women hold on to a railing in gale force winds in London Friday

European storm turns political in Britain

LONDON (AP) — The cleanup from a devastating storm that killed 95 people in Europe has barely begun, but weather forecasting has already become a political issue in Britain.

Opposition politicians accuse the government of failing to give enough publicity to forecasts of Thursday's storm, which caused 46 deaths and an estimated \$1.6 billion damage in Britain.

Official reports said another 19 people died in Holland, 10 in Belgium, eight in France, seven in West Germany, four in Denmark and one in East Germany.

The storm, with winds up to 170 kilometres per hour, knocked out power and communications in large areas of Britain and the continent, severely disrupted transportation and uprooted millions of trees.

"We would like to get to the position where at least the public didn't travel as much as they might otherwise have done if we were warning to the effect that we expect driving conditions to be extremely hazardous," said Hunt.

That, he said, may take "a good few years of education."

Speaking in the House of Commons Friday, Local Government Minister David Hunt insisted that the government responded "swiftly and immediately."

He was particularly scornful of dos Santos' suggestion that independent associations could exercise political freedom under the one-party rule of the Popular Movement for the Liberation of Angola (MPLA).

"Associations to be controlled by one political party, that does not represent anything," he said with a laugh. "That is not democracy. I cannot accept that."

"You don't ask a man to commit suicide to gain peace."

Saveimbi dismissed the peace proposal presented by President Jose Eduardo dos Santos in a New Year's speech as sophistry which did not advance the faltering peace process.

He was particularly scornful of dos Santos' suggestion that independent associations could exercise political freedom under the one-party rule of the Popular Movement for the Liberation of Angola (MPLA).

"Associations to be controlled by one political party, that does not represent anything," he said with a laugh. "That is not democracy. I cannot accept that."

"You don't ask a man to commit suicide to gain peace."

Saveimbi, 55, appealed to Portugal to join in the peace efforts, something it has been reluctant to do. But he denied suggestions that he had lost faith in Mobutu's initiative.

Dos Santos, in a similar interview three weeks ago, ruled out the prospect of fighting elections against UNITA. He argued that a one-party system was more appropriate for an African country in Angola's stage of development.

Sightings were reported from the northeastern U.S. state of New York to the mid-Atlantic state of Virginia. Adam confirmed that the air force was getting calls from all of those areas.

Descriptions run from a blue-green to a bright green coming down in an angular descent leaving a short tail behind it," he said.

He said everyone who had telephoned the centre described the object "as coming down and hitting

the ground in their area, which is very common in something like this."

Among the people who reported seeing the object was David Arnold, an area air traffic control supervisor at Dulles airport, outside Washington, who reported the sighting at 7:10 p.m. Saturday (0100 GMT Sunday).

"We don't know exactly